

1           A.    The question was what else could --

2           Q.    How else could you get XRP -- what -- what  
3   other ways could you get -- grow the XRP market,  
4   other than through speculative XRP trading?

5           MR. HORTON:  Objection to form.

6           A.    When you say "grow the XRP market," you  
7   mean increase liquidity?

8           Q.    Yes.

9           A.    We could.  I feel like that -- again, three  
10  parts of -- in my view, three buckets of liquidity in  
11  a market.  Speculation, market-making activity, and  
12  then commercial activity.  Those are the three  
13  buckets.

14                  I think hard to find a really robust and  
15  thick market in the world that doesn't have those  
16  three.  If you're missing any of them, you're not  
17  going to have as robust a market as you can have.

18                  With respect to xRapid, it's a -- it's hard  
19  to -- I mean, if XRP is going to be on a digital  
20  currency exchange, there no way for me to say, Hey,  
21  nobody speculate in it, please.  We're just going to  
22  list it.  Don't touch it.  I just want the exchange  
23  to list it.  I'm going to bring in a bunch of market  
24  makers and I am going to bring in a bunch of payment  
25  providers, and I'm going to let them trade in these

1 books, but please don't let any speculators in.

2 I don't know how to do that. I don't think  
3 there's any way to do that.

4 And really, the exchange architecture, the  
5 fact that, to use an exchange, you have to deposit  
6 funds, and they have to be available, and are  
7 available immediately, is -- is incredibly beneficial  
8 to the use case.

9 So using xRapid via OTC brokers doesn't  
10 work. Because there's huge settlement issues. So  
11 you want to use the exchanges for this use case. I  
12 can't even imagine a -- a -- scenario where we  
13 wouldn't.

14 So it's hard for me -- like, once you --  
15 once you have it listed on an exchange, people are  
16 going to trade it; some for speculation, and maybe  
17 some market makers. And, you know, our job was to  
18 use whatever liquidity was on there, whoever was  
19 using that liquidity or creating it, to then build  
20 the product on top of it and enhance that liquidity.  
21 But none of the enhancements of that liquidity had  
22 anything to do with speculation.

23 If you look at what we tried to do, around  
24 xRapid, is -- you know, especially in the books of  
25 some of the large payment providers that weren't

1 quite ready for purpose -- or fit for purpose yet;  
2 they were a little wide in terms of spreads -- is  
3 bring in market makers and then bring in the payment  
4 providers. But we really don't do anything at  
5 that -- we don't do anything to encourage  
6 speculation.

7 Q. Ripple tried to get XRP listed on  
8 platforms. Correct?

9 MR. HORTON: Objection to form.

10 A. My team, the XRP markets team.

11 Q. And that was in order to increase overall  
12 trading volume of XRP?

13 MR. HORTON: Objection to form.

14 A. Primarily, yes.

15 Q. And that led to an increase in speculative  
16 trading for XRP?

17 A. I think so.

18 MS. WAXMAN: Exhibit 72.

19 (Email exchange re: XRP Markets Roles,  
20 Bates 0376177 through -178, was marked MV  
21 Exhibit 72 for identification, as of this date.)

22 Q. Mr. Vias, I'm showing you what's been  
23 marked as MV 72, which has the Bates 0376177 through  
24 -178.

25 (Witness reviewing document.)

1 A. Okay.

2 Q. Do you recall Exhibit MV 72?

3 A. I don't.

4 Q. What recommendation were you making in  
5 connection with Ripple's XRP market strategy?

6 MR. HORTON: Objection to form.

7 Q. In December 2017.

8 A. Yeah. Two weeks in.

9 So my recommendation here is that we need  
10 to hire two more people. One to kind of focus on  
11 market makers and liquidity providers with Dinuka,  
12 and then a new role around general XRP speculator  
13 interest.

14 Q. So you were recommending that Ripple  
15 increase its marketing and promotional efforts of XRP  
16 in order to appeal to speculators?

17 MR. HORTON: Objection to form.

18 A. Honestly, I'm not sure what I mean here.

19 Q. Did you think Ripple wasn't creating enough  
20 buzz or interest as -- in XRP as compared to other  
21 coins?

22 MR. HORTON: Objection to form.

23 A. I think at the time what I thought was XRP  
24 was not part of the general Ripple narrative. Again,  
25 I'm going to go through the stages of the company.



1 And in '13, '14, everything is about the protocol.

2 Starting in '15, XRPs -- I think the focus  
3 is more on the -- around the enterprise software  
4 piece, not so much around XRP as a settlement asset.  
5 And then that seems to come back into focus sometime  
6 in 2016. But for whatever reason, that narrative  
7 wasn't alive yet when I joined.

8 I think that's what I'm speaking to here.

9 Q. What does "settlement asset" mean?

10 A. It's an asset you use to settle liabilities  
11 with.

12 Q. You said you -- in the email you said,  
13 After discussing at length with Brad today.

14 Did Brad agree with your recommendation?

15 MR. HORTON: Objection to form.

16 A. I don't remember.

17 Q. Did Brad agree with your assessment of the  
18 XRP market at the time?

19 MR. HORTON: Objection to form.

20 A. I don't know.

21 Q. Did anyone raise any concerns with your  
22 recommendation to market or promote XRP to  
23 speculators?

24 MR. HORTON: Objection to form.

25 A. I don't remember.

1           Q.   Did Ripple ever hire anyone for this  
2 position that you recommended?

3           A.   Not that I remember, no.

4           Q.   What -- earlier today we spoke about XRP  
5 market reports. What was the purpose of the XRP  
6 market reports?

7           A.   So a broad purpose -- again, around this  
8 clarity or transparency piece, I've spoken now a few  
9 times around the fact that -- around the holdings but  
10 also around the products, there wasn't any clarity  
11 from Ripple as to what it was doing with respect to  
12 XRP.

13                   So this was meant to address some of those  
14 issues; in particular, around our sales, and the FUD  
15 around how much we were selling or not selling.

16           Q.   Did Ripple want to provide clarity to  
17 investors of XRP?

18                   MR. HORTON: Objection to form.

19           A.   Again, hard for me to speak to what Ripple,  
20 the company, wanted.

21           Q.   You were head of XRP markets team at the  
22 time, right?

23           A.   Right, right.

24                   You asked me about Ripple.

25           Q.   Did you want something different than what

1 Ripple wanted?

2 MR. HORTON: Objection to form.

3 A. Often. Yeah.

4 Q. When did you want something -- at what time  
5 did you want something that Ripple --

6 A. I don't know, Daphna.

7 Q. -- wanted something different?

8 A. Have you ever wanted something different  
9 from what the SEC wants? I mean, it's a --

10 Q. No.

11 A. It's a -- good answer.

12 It's a job. I mean, you're going to  
13 disagree with folks at the company. You're -- at  
14 times, you're going to disagree with the company  
15 strategy, direction.

16 But with respect to this question I think  
17 you're asking me, is what was my intention with  
18 respect to the report; is that right?

19 Q. Yes.

20 A. So if you want to build a healthy market,  
21 markets do not like opacity. They do not like things  
22 to be vague. It's hard to make decisions around risk  
23 when you can't quantify the risk. So you want to  
24 reduce some of that. The way -- if you can, the way  
25 you do that is by giving clarity. This was -- this

1 was a way to give clarity to markets.

2 Q. When you say "to markets," who are you  
3 talking about?

4 A. The whole XRP market. And I think what you  
5 will notice about the XRP market's report is that it  
6 evolves over time. And I think my very limited view  
7 in the beginning expands as more stakeholders start  
8 to craft that document, and you start to see more  
9 about the product. So that is signaling to the  
10 corporates who we're trying to -- to try to attract  
11 to maybe use xRapid in the future.

12 When you're talking about listings on  
13 exchanges, you're obviously talking to everyone who  
14 trades on an exchange. Or who wants to trade on an  
15 exchange, whoever that might be.

16 So, I mean, there's various stakeholders or  
17 various participants in the market that the market  
18 reports spoke to.

19 Q. Did other people at Ripple have a different  
20 view of the purpose of the report?

21 A. I --

22 MR. HORTON: Objection to form.

23 A. I don't know.

24 Q. Who drafted the XRP markets reports?

25 A. It changed over time.

1 Q. Initially, who drafted the reports?

2 A. Initially, I think I drafted the first one,  
3 and maybe the second one. I can't quite remember.  
4 And then I feel -- and then I think over time,  
5 basically, like, the team -- either Dinuka or maybe  
6 [REDACTED] would provide some bullets and then send it  
7 over to marketing and then it would get written by  
8 someone else.

9 [REDACTED] I think, at one point wrote  
10 it.

11 Q. Did Mr. Garlinghouse edit the XRP market  
12 reports?

13 A. Yes. Brad was part of that process.

14 Q. Did he provide feedback on draft reports?

15 A. Yes.

16 Q. What sort of feedback did he provide?

17 A. I won't remember specifics.

18 Q. Did Chris Larsen review any draft reports?

19 A. I don't think so, no.

20 Q. What was disclosed in the XRP market  
21 reports?

22 MS. COWAN: Objection.

23 A. So we -- we communicated how much we'd sold  
24 in the quarter, programmatically, in OTC. I think we  
25 had -- you know -- the report changed over time, so I



1 may be cobbling together, like, different reports in  
2 my mind.

3 But I know, at times, there were sections  
4 around XRP listings and support for XRP and like  
5 digital wallets. And then over time, it -- there was  
6 quite a bit of emphasis on xRapid and, you know, the  
7 progress there.

8 Q. Did the XRP market reports always disclose  
9 the amount of Ripple's XRP's -- the amount of  
10 programmatic sales?

11 MR. HORTON: Objection to form.

12 A. I think all of the reports that I was  
13 involved with did. Yeah.

14 Q. Did the reports disclose the actual number  
15 of units of XRPs sold?

16 MR. HORTON: Objection to form.

17 A. I don't think so, no. I think it was just  
18 the outright number and the -- the percentage of  
19 volume.

20 Q. Why didn't Ripple ever disclose the number  
21 of units that were sold?

22 MR. HORTON: Objection to form.

23 A. I don't know.

24 Q. Did you ever discuss with anybody whether  
25 to disclose that information?

1 A. No.

2 Q. Did the reports disclose Ripple's  
3 distributions of XRP that weren't through sales?

4 MS. COWAN: Objection. Objection.

5 Q. So if Ripple used XRP -- if Ripple  
6 distributed XRP to a partner, for noncash  
7 consideration, did Ripple disclose that information?

8 MR. HORTON: Objection to form.

9 A. I don't think so. No.

10 Q. Why didn't Ripple disclose that?

11 MR. HORTON: Objection to form.

12 A. I don't know.

13 Q. Did you ever disclose -- discuss with  
14 anybody whether Ripple should disclose that  
15 information?

16 A. Not that I think remember, no.

17 Q. Was that information important to the  
18 market?

19 MR. HORTON: Objection to form.

20 A. I don't know.

21 Q. Would that information provide more clarity  
22 to the market?

23 MS. COWAN: Objection.

24 A. I think that would have been more  
25 transparent.

1 Q. Did you ever discuss with anybody at Ripple  
2 whether Ripple should disclose that information?

3 A. No.

4 Honestly, as you're asking me, just never  
5 occurred to me. I didn't have visibility into that  
6 type of stuff.

7 Q. Who did?

8 A. I mean, I'm going to guess here, but --  
9 people senior to me.

10 Q. Did any of the XRP market's reports  
11 disclose sales by Ripple's -- sales of XRP by  
12 Ripple's founders?

13 MR. HORTON: Objection to form.

14 A. No.

15 Q. Did you ever discuss with anybody whether  
16 to disclose that information?

17 MR. HORTON: Same objection.

18 A. No.

19 Q. Would that information have provided more  
20 clarity to the market about supply -- XRP supply?

21 MR. HORTON: Objection.

22 A. Yes, but ...

23 Q. Was that your decision, whether or not to  
24 disclose that information?

25 A. No. How could it be?

1 Q. Whose decision was it to disclose --  
2 whether to disclose that information?

3 MS. COWAN: Objection.

4 A. I don't think that was ever a decision that  
5 was contemplated.

6 MS. WAXMAN: Exhibit 51, please.

7 (Email exchange re: Ready to Publish the  
8 XRP Markets Reports Tomorrow, Bates 0351547  
9 through -548, was marked MV Exhibit 51 for  
10 identification, as of this date.)

11 Q. Mr. Vias, I'm showing you what's been  
12 marked MV 51, which is a document with the  
13 Bates 0351547 through -548.

14 (Witness reviewing document.)

15 A. Okay.

16 Q. Did Brad provide some feedback on the draft  
17 report?

18 A. Yes.

19 Q. And what feedback did he provide?

20 A. He says, I will be very surprised if this  
21 is ready to go out tomorrow. What I found most  
22 surprising is that the word "trust," in all caps,  
23 wasn't anywhere in the document. Building trust, not  
24 in all caps, in XRP, is the most critical, in all  
25 caps, things we can do. The word "trust," caps, and

1 XRP should be together as often as possible, dot dot  
2 dot. We -- and we should demonstrate that we are  
3 doing this -- doing things -- "doing" is  
4 misspelled -- to build trust, in all caps.

5 Q. Did you discuss with Brad why he thought  
6 building trust in XRP was the most critical thing  
7 Ripple could do?

8 A. No.

9 Q. Did you have any understandings why he  
10 thought that?

11 A. I did not.

12 Q. Were -- were investors distrustful of  
13 Ripple?

14 MR. HORTON: Objection to form.

15 A. Were inventors distrustful of Ripple the  
16 company?

17 Q. Yes.

18 A. I don't know.

19 Q. Well, Brad seems to be saying that in his  
20 email?

21 MR. HORTON: Objection. That's not a  
22 question.

23 Q. Did you agree with Brad's sentiment that  
24 building trust in XRP was the most critical thing  
25 Ripple could do?



1           A.   Honestly, I don't know what he meant by  
2 building trust in XRP. I don't know what that means.

3           Q.   How did -- how did you respond to Brad's  
4 email and suggestion?

5           MR. HORTON: Objection.

6           A.   I'm not going to read it, but I basically  
7 said, you know, I try to be as neutral as possible.  
8 Ample opportunities to, you know, get company  
9 messaging across in other venues, build market trust  
10 in Ripple with respect to XRP.

11                   Important for the report to stay above the  
12 fray. Try to attract professional investors and  
13 analysts. And we don't want to have a bent in these  
14 reports. It's not helpful.

15           Q.   So it was your view that the goal of the  
16 report was to attract professional investors and  
17 analysts?

18           MS. COWAN: Objection.

19           A.   If I'm being honest, I'm not quite sure  
20 where that's coming from.

21                   Yeah, I don't know.

22           Q.   You say that, The goal here is to attract  
23 profession investor and analysts who are used to  
24 reading reports from sources who aren't so vested in  
25 the report subject matter.

1 Did you think the report was biased?

2 MS. COWAN: Objection.

3 A. I hope not. I wrote it.

4 Q. Did -- did the report not disclose certain  
5 information that would be important for XRP  
6 investors?

7 MR. HORTON: Objection to form.

8 A. I don't know.

9 MS. WAXMAN: Exhibit 29, please.

10 (Email re: XRP Team Discussion - ICOs:  
11 Securities and Commodities Analysis, Bates  
12 0083483, was marked MV Exhibit 29 for  
13 identification, as of this date.)

14 Q. Did you ever receive guidance on how to  
15 talk about XRP?

16 MR. HORTON: Objection to form.

17 A. From whom?

18 Q. From anyone within the company, other than  
19 a lawyer.

20 A. I don't remember.

21 Q. Were you ever told what not to say about  
22 XRP?

23 MR. HORTON: Objection to form.

24 A. Not that I think remember. No.

25 Q. Were you told not to promote XRP as an

1 investment?

2 MR. HORTON: Objection to form.

3 A. Not that I can recall.

4 Q. Were you told not to talk about XRP price?

5 MR. HORTON: Objection to form.

6 A. No. Not that I can remember.

7 Q. Were you told not to talk to -- talk about  
8 XRP price to the public?

9 MR. HORTON: Objection to form.

10 A. Not that I can remember.

11 Q. Did you talk about XRP price inside the  
12 company? Internally?

13 A. Are you asking me if the price of XRP came  
14 up within the walls of Ripple ever?

15 Q. Yes.

16 A. Yes.

17 Q. Okay. And did you talk about the price of  
18 XRP outside of the walls of Ripple?

19 A. Yeah. But, I'm sorry, the previous  
20 question was like around like -- publicly, like --  
21 sorry. I thought you meant like, you know, on TV.  
22 Not, like, with my wife.

23 Q. Right. So I'll go back to the original  
24 question.

25 Did anyone ever provide any -- other than a

1 lawyer, did you receive any guidance on how to talk  
2 about XRP, to the public?

3 MR. HORTON: Objection. Asked and  
4 answered.

5 A. Do you mean like in the media?

6 Q. Yes.

7 A. Conferences and things like that?

8 Q. Yes.

9 A. I don't remember, no. I don't think so.

10 MS. WAXMAN: Exhibit 29.

11 Q. I'm showing you what's been marked as  
12 MV 29, which is a document with the Bates 0083483  
13 through 0083486.

14 (Witness reviewing document.)

15 A. Okay.

16 Q. Do you recall this email?

17 A. I don't.

18 Q. At the very bottom of the second page,  
19 there's a reference to an XRP team discussion called  
20 "ICO Securities and Commodities Analysis."

21 Did you -- did you participate in this  
22 discussion?

23 A. I don't remember.

24 Q. There's a description on the bottom. It  
25 says, about -- I guess the meeting.

1 Says, ICOs are increasingly popular and  
2 raise many regulatory questions. While XRP is very  
3 different from an ICO, Ryan and AOG would like to  
4 share our research with the team, explaining the  
5 importance of how we talk about XRP.

6 Does this refresh your memory as to whether  
7 you received guidance on how to talk about XRP?

8 MS. COWAN: Objection.

9 A. It does not.

10 Q. Who is Ryan?

11 A. That's Ryan Zagone. He worked in  
12 compliance and regulatory division, group.

13 Q. Did he have a legal function at Ripple?

14 MS. COWAN: Objection.

15 A. I don't think he was part of a legal team,  
16 no.

17 Q. Who is AOG?

18 A. Antoinette O'Gorman. She was head of  
19 compliance.

20 Q. Was she part of the legal team?

21 MS. COWAN: Objection.

22 A. I don't think so. No.

23 Q. Were you ever told what not to say about  
24 XRP in order to avoid XRP being viewed as a security?

25 MR. HORTON: Objection to form.



1 MS. COWAN: Are you asking in that  
2 conversation -- not a conversation with the lawyer?

3 Q. Correct. I don't want to hear anything --  
4 any conversations you had with a lawyer.

5 Outside of conversations you had with a  
6 lawyer, were you ever told not to say anything about  
7 XRP in order to avoid it being classified as a  
8 security?

9 A. Not that I can remember.

10 Q. Did you ever discuss XRP's potential status  
11 as a security, with any nonlawyer?

12 A. I'm sure I did, but I can't remember with  
13 whom or when.

14 Q. Was it important for Ripple sales of XRP  
15 not to be considered sales of securities?

16 MR. HORTON: Objection to form.

17 A. I don't know.

18 Q. What would happen if Ripple's sales of XRP  
19 were deemed sales of securities?

20 MR. HORTON: Objection to form. Calls for  
21 speculation.

22 A. I don't know.

23 Q. Did you ever discuss XRP securities status  
24 with any nonlawyers at Ripple?

25 MR. HORTON: Objection. Asked and

1 answered.

2 A. I'm -- I'm sure, at some point, I did. But  
3 I don't remember with whom or when.

4 MS. WAXMAN: Exhibit 32, please.

5 (Email from [REDACTED] to Miguel  
6 Vias, Bates 0093354, was marked MV Exhibit 32  
7 for identification, as of this date.)

8 Q. Mr. Vias, I'm showing you what's been  
9 marked as MV 32, which has the Bates 0093354.

10 (Witness reviewing document.)

11 A. Okay.

12 Q. Do you recall this email?

13 A. No.

14 Q. Who is [REDACTED]?

15 A. At the time [REDACTED] was the new  
16 head of Ripple D.

17 Q. And do you -- did you send him an email --  
18 video?

19 A. I don't remember.

20 Q. Does this refresh your memory whether you  
21 had conversations with nonlawyers at Ripple regarding  
22 XRP's potential status as a security?

23 A. It reminds me of -- one email, yes.

24 Q. Does it refresh your recollection as to  
25 other conversations with other nonlawyers at Ripple?

1 A. It doesn't.

2 Q. [REDACTED] writes, Considering the importance of  
3 not having XRP be seen as a security.

4 Did [REDACTED] feel that it was important for XRP  
5 not to be seen as a security?

6 MR. HORTON: Objection to form.

7 A. I don't know.

8 Q. Do you know why he felt that?

9 A. I do not.

10 MR. HORTON: Objection.

11 Q. At the bottom of the page, the last  
12 paragraph, it says, I've done a bit of ground work on  
13 this. A number of people in XRP Chat have suggested  
14 that XRP is a security issued by the company, or that  
15 the company has a fiduciary duty to them, or that it  
16 entitles them to rights similar to those as a  
17 shareholder might have. I've talked with legal. I  
18 think you are looped in on that conversation, about  
19 responding on XRP Chat, and we came up with some  
20 wording.

21 Does this refresh your memory as to whether  
22 you received guidance on how to talk about XRP?

23 MS. COWAN: So I think -- the -- the  
24 question you can ask is whether or not he had a  
25 conversation with a nonlawyer. Is that still your

1 question?

2 MS. WAXMAN: Yes. That's still my  
3 question.

4 A. I don't remember.

5 Q. And then it says, But we need to do more  
6 and have an official company position on this, that  
7 we can point people to.

8 Did Ripple have an official position on  
9 whether or not XRP was a security?

10 MR. HORTON: Objection to form.

11 A. I don't know.

12 But I -- what I meant is, I don't know what  
13 "official" means.

14 Q. Did Ripple publicly state its position?

15 MR. HORTON: Objection to form.

16 A. I don't remember.

17 Q. Is that something you would have  
18 remembered?

19 MR. HORTON: Objection.

20 Q. If Ripple had come out and said that XRP is  
21 like a security, would you have remembered that?

22 MR. HORTON: Objection to form.

23 A. If someone came out and said it was a  
24 security?

25 Q. Yes.

1 A. I assume so.

2 MS. WAXMAN: Exhibit 38, please.

3 (Slack messages, Bates 0302509 to -10, was  
4 marked MV Exhibit 38 for identification, as of  
5 this date.)

6 Q. Mr. Vias, I'm showing you what's been  
7 marked as Exhibit MV 38, which is a document with  
8 Bates 0302509.

9 (Witness reviewing document.)

10 A. Okay.

11 Q. Who is [REDACTED]?

12 A. [REDACTED] at the time, was a part of  
13 the BD team.

14 Q. And is this a Slack channel that you are  
15 communicating on?

16 A. I'm -- I think so. Yeah.

17 Q. And was this a particular Slack for a  
18 certain group of people at Ripple?

19 A. I don't know.

20 Q. Can you tell by who's listed in "to"  
21 section?

22 A. Now I'm confused. Is this an email?

23 Q. This is a -- my understanding is this is a  
24 Slack chain. These are Slack messages.

25 A. Okay.



1           Yeah, I just -- I don't -- I have no way of  
2     knowing -- this is [REDACTED] is on here, but  
3     [REDACTED] wasn't part of the company in May of 2017.

4           Q.    So you don't believe the people on "to"  
5     line were on --

6           A.    No. [REDACTED] -- Breanne Madigan wasn't part  
7     of the team. No, there is no way. [REDACTED] wasn't  
8     part of the team in May of '17. [REDACTED] wasn't  
9     part of the team. I don't think Dinuka was part of  
10    the team.

11          Q.    What about the body of the exhibit? In  
12    May 2017 were these people at the company, the  
13    senders?

14          A.    Yes. Yes, yes.

15          Q.    And what are you guys discussing?

16          A.    Seemed [REDACTED] has brought up something going  
17    on in Japan with respect to ICOs. And then there's a  
18    subsequent discussion around XRP and ICOs.

19          Q.    In the middle of the page, [REDACTED] writes, I  
20    do not think we want to be classified as an ICO.

21                You say, We do not.

22                And -- why did you write that?

23          A.    I don't remember.

24          Q.    What would it mean if XRP was classified as  
25    an ICO?

1 MR. HORTON: Objection to form.

2 A. I don't know.

3 Q. Would there be any implications from that  
4 classification?


5 MR. HORTON: Objection to form.

6 A. I'm not sure.

7 Q. Would -- if -- would that affect whether or  
8 not XRP was subject to regulation by the SEC?

9 MR. HORTON: Objection to form.

10 A. I don't know.

11 Q. In May 2017, at the bottom of the page,   
12 writes, So I see Ryan's logic is that XRP is not a  
13 security, but an ICO currency is like a security, so  
14 XRP is not an ICO currency.

15 Do you know what she means there?

16 A. I don't.

17 MR. HORTON: Objection to form.

18 Q. Was Ripple aware that you could package a  
19 nonsecurity and make it into a security?

20 MR. HORTON: Objection to form.

21 A. I have no idea.

22 Q. The top of the second page, are you opining  
23 about XRP's status under the federal securities laws,  
24 or XRP status as an ICO?

25 MR. HORTON: Objection to form.

1           A.    You know, I think it's clear from the text  
2   that I'm comparing XRP to an ICO, and why they're  
3   different.

4           Q.    You say, I think the biggest difference  
5   between XRP and an ICO is that RCL XRP was created  
6   before the company was created.

7                   But didn't the same people who created XRP  
8   found Ripple?

9           MR. HORTON:  Objection to form.

10          A.    I don't know.

11          Q.    You don't know?

12          A.    I don't know if everyone who created the --  
13   the protocol is -- was on the founding team.  I think  
14   there were some folks who were part of the project,  
15   and then were not part of the company.  I'm not sure  
16   as to -- some folks who were involved.

17                   You know, David and Arthur, in particular,  
18   ended up being part of the company.  I don't know if  
19   Chris was there in the beginning.  I'm just not sure.  
20   I wasn't there.

21          Q.    Was there anyone that you knew that created  
22   XRP, and did not continue with the company after it  
23   was formed?

24          MR. HORTON:  Objection to form.

25          A.    I can't remember his name, but, yeah, I

1 think there was one or two people who was part of  
2 that original team and didn't end up at the company.

3 But, again, this was before my time, way  
4 before my time.

5 Q. Well, how did you know this information?

6 MR. HORTON: Objection. I think he  
7 testified that he didn't.

8 Q. You write, I think the biggest difference  
9 between XRP and ICO is that RCL XRP was created  
10 before the company was created.

11 If this was before your time, where did you  
12 learn this information?

13 A. I don't remember.

14 Q. Is this -- were these talking points that  
15 Ripple had provided you on the issue of whether or  
16 not XRP was a security?

17 MR. HORTON: Objection to form.

18 A. No. Not that I remember, no.

19 Q. Were these your own views?

20 MS. COWAN: Objection.

21 A. I think this is the way I understood the  
22 history of the company.

23 Q. And how did you form that understanding?

24 A. Specifically? I don't remember.

25 Q. You then say, The creators of the asset

1 then donated it to the company.

2 Didn't the creators of XRP keep some of the  
3 XRP for themselves?

4 MR. HORTON: Objection to form.

5 A. Yeah, I think some -- they kept some, yes.

6 Q. Why did you think that these two things  
7 mattered from the perspective of whether XRP was a  
8 security?

9 MR. HORTON: Objection to form.

10 A. I'm not talking about XRP as a security on  
11 this page. I'm talking about it as an ICO. I  
12 don't -- these are differences from XRP and ICOs, and  
13 ICOs are the ERC-20 tokens. They get lost on  
14 Ethereum. It's just completely different beasts.  
15 I'm not -- I'm comparing an XRP to an ICO.

16 Q. You write further in that sentence, It has  
17 a real-use case.

18 What are you talking about when you say it  
19 has a real-use case?

20 A. It has a real use.

21 Q. A real use. What do you mean there?

22 A. So similar with Ethereum, the Eth in  
23 Ethereum, and the BTC, the Bitcoin block chain, XRP's  
24 the native token to the protocol. So in order to  
25 transact on the protocol you have -- you need XRP to



1 pay fees. Same as you do in Ethereum. Same as you  
2 did in Bitcoin.

3 So the use, it's similar. Right? So you  
4 need it to actually interact with the protocol, XRP.  
5 ICOs aren't like that, so you don't -- ICO doesn't --  
6 ICOs don't secure the network of Ethereum. They  
7 don't protect from spam, you know, which is one the  
8 other uses for XRP in the network. So that's what I  
9 meant by that.

10 Q. Are you talking -- so you're not talking  
11 about use of XRP for cross-border payments or  
12 anything like that?

13 A. No.

14 Q. Because previously you said that in --  
15 around mid-2017, nobody was using XRP for  
16 cross-border payments?

17 MR. HORTON: Objection. That misstates his  
18 testimony.

19 Q. XRP hadn't been even launched at that  
20 point?

21 A. Xrapid.

22 Q. Xrapid.

23 A. Xrapid hadn't been launched. Had no idea  
24 if other people were using XRP for cross-border  
25 payment on their own.

1           And in this case, I'm speaking very  
2           specifically to the protocol. I think we tend to  
3           combine these two things. But XRP is actually  
4           separate from the network. And the token itself has  
5           a use within the L1 protocol. And that is to pay  
6           fees for transactions. And those fees really are  
7           there to protect against attacks against the ledger,  
8           as we try to spam ledger, trying to bog it down, like  
9           a DDoS attack.

10           The fees on the network would spike up, and  
11           basically the person who is trying to attack the  
12           network in that way would go bankrupt. That's the  
13           primary use of XRP as a protocol. It's very similar  
14           to Ethereum's, in some respects, and very similar to  
15           Bitcoin's, in some respects. Very different from  
16           ICOs. That's what I meant there.

17           Q. [REDACTED] goes on to write in the next  
18           comments, F seems like a security that the Ethereum  
19           people used to raise money for a tech venture.

20           Did you have that same belief?

21           A. I don't remember.

22           Did I, or do I?

23           Q. Did you back then, at the time of this?

24           A. I don't remember.

25           Q. Do you now?

1 A. No.

2 Q. You write further down, I definitely think  
3 we need to disassociate XRP from being an ICO, but  
4 not sure what the right strategy would be.

5 Did Ripple eventually adopt a strategy  
6 around this?

7 MR. HORTON: Objection to form.

8 A. I don't know. I don't remember.

9 Q. Why did -- when you say, I definitely think  
10 we need to disassociate, are you talking about  
11 Ripple?

12 A. Yes.

13 Q. And why did you think Ripple needed to  
14 disassociate from XRP -- disassociate XRP from being  
15 an ICO?

16 A. You know, ICOs, in 2017, were a bit of a  
17 four-letter word in crypto. It was really kind of  
18 a -- a bit of a black eye, I felt. Some pretty  
19 unscrupulous people doing unscrupulous things, in  
20 ICOs. A lot of fraud.

21 And I didn't want -- I didn't want any of  
22 that coming even close to XRP at things we were doing  
23 around this cross-border payments. So I didn't want  
24 to -- I didn't want XRP to be guilty by association  
25 somehow.

1 Q. Did your view have anything to do with the  
2 fact that the SEC had been saying that ICOs were  
3 sales of securities?

4 MR. HORTON: Objection to form.

5 A. I don't think I knew that.

6 So no.

7 MS. WAXMAN: Exhibit 67.

8 (Email exchange re: Great to See You, Bates  
9 0199245 through -250, was marked MV Exhibit 67  
10 for identification, as of this date.)

11 Q. Mr. Vias, I'm showing you what's been  
12 marked as Exhibit 67, which has the Bates 0199245  
13 through -250.

14 My questions are really going to focus on  
15 the first page of the exhibit.

16 (Witness reviewing document.)

17 A. All right.

18 Q. Do you recall sending this email?

19 A. I do not.

20 Q. Who is [REDACTED]

21 A. He was on the product team at Ripple.

22 Q. And who is [REDACTED]?

23 A. I think [REDACTED] was on the data team at  
24 Ripple, I believe.

25 Q. Why did you tell Dinuka and others on the

1 cc line that they needed to be very discerning about  
2 how they speak about XRP to anyone outside of the  
3 org?

4 A. Yeah. I think I mentioned this in my  
5 testimony before. You know, the company had  
6 60 billion XRP. I always felt like it was a  
7 little -- like, it was counterproductive to tell  
8 folks that, Hey, we really like XRP. We think it's  
9 great. We think the price is going to the moon.

10 You know, if somebody came to me and said  
11 that, and they were long 60 billion of something, I  
12 would be like, You don't say?

13 So, you know, I always felt like there was  
14 no upside in doing things like that. And it was  
15 also, as I've kind of -- as you've seen in some the  
16 other emails and chats, for me, the price was  
17 sometimes, honestly, a hindrance, as people tended to  
18 focus on that, and it could get a little distracting.

19 You know, technology was -- was so  
20 impactful, in my opinion, to this use case, I really  
21 did like -- I liked it when we focused on that. So  
22 yeah, I just didn't want price to be the thing that  
23 folks talked about. I didn't find it very useful.

24 Q. You don't -- you -- was it so obvious --  
25 did you think it was so obvious to the market that,



1 for a holder of 60 billion of the asset, the price  
2 going up would be a good thing?

3 MR. HORTON: Objection to form.

4 A. Do you own 60 billion of anything?

5 I mean --

6 Q. Is that a yes?

7 A. I don't know what the market thinks. What  
8 I can tell you is if someone came to me and said,  
9 Hey, I own 60 billion of something, and I think it's  
10 great, I would be like, Of course you do. Like,  
11 what's the upside?

12 Q. Did you tell people to be very discerning  
13 about how they speak about XRP in order to avoid  
14 XRP's classification as a security?

15 MR. HORTON: Objection to form.

16 A. No.

17 Q. Why did you say to be discerning about how  
18 we speak about XRP outside of the organization?  
19 Could people talk about it however they chose inside  
20 the organization?

21 MR. HORTON: Objection.

22 A. I don't remember why I made that  
23 distinction, to be honest.

24 Q. You go on to say, We present the use case.

25 Did Ripple believe that if XRP had a use

1 case, it could avoid classification as a security?

2 MR. HORTON: Objection to form.

3 A. I don't know.

4 Q. Why would you talk about the use case in  
5 November 2017, when xRapid hadn't even been launched  
6 or wasn't even available for commercial use?

7 MR. HORTON: Objection to form.

8 A. I believed strongly that it would be.

9 I mean, this is all we did. Like, we --  
10 there was a pretty strongly held belief that this was  
11 going to be a thing.

12 Q. What was going to be a thing?

13 A. A thing, xRapid; cross-border payments  
14 being facilitated by XRP as a bridge asset.

15 Q. Did Ripple promote XRP as a cross -- as an  
16 option for banks to use for cross-border payments?

17 MR. HORTON: Objection to form.

18 A. I don't remember what the publicly facing  
19 marketing said about accepting banks being used for  
20 cross-border payments.

21 Q. Did you ever speak about XRP publicly?

22 A. Yes.

23 Q. Did you ever make statements about Ripple's  
24 work related to getting XRP adopted by banks for  
25 cross-border payments?

1 MR. HORTON: Objection to form.

2 A. I don't remember.

3 Q. Did you promote XRP as an investment to  
4 speculators on XRP Chat?

5 MR. HORTON: Objection to form.

6 A. Not -- not that I remember.

7 Q. Earlier we saw some posts on XRP Chat in  
8 August of 2017. You were talking about price on  
9 those chats.

10 MR. HORTON: Objection to form.

11 A. I would have to go back and look at the  
12 document to know exactly what I was saying in the  
13 chats because I don't remember. I think I also -- if  
14 I did -- and I'm not saying I did or I didn't -- but  
15 if I did, I think I also in a few places said I don't  
16 really want to talk about the price. I don't really  
17 think the price is that important.

18 Q. I think I recall, and we can go back to the  
19 document, you said that was it was a forgone  
20 conclusion that the price would go up?

21 MR. HORTON: Counsel, can I propose that if  
22 we're going to talk about -- if we're going to go  
23 back to the other document, can we take a short break  
24 before we do that?

25 MS. WAXMAN: Sure.

1 MR. HORTON: You were asking questions  
2 about a document that hasn't been in front of him for  
3 some time.

4 MS. WAXMAN: Sure. Do you want to go off  
5 the record?

6 MR. HORTON: Yes, please.

7 MS. WAXMAN: It's 4:26. We're off the  
8 record.

9 THE VIDEOGRAPHER: Going off the record at  
10 4:26.

11 (A recess was taken from 4:26 to 4:41.)

12 THE VIDEOGRAPHER: We are back on the  
13 record at 4:41 p.m. Eastern.

14 (Email re: XRP - Customer Interviews, Bates  
15 0461976 through -1979, was marked MV Exhibit 19  
16 for identification, as of this date.)

17 Q. Mr. Vias, I would like to show you what's  
18 been marked as MV 19, which is a document with the  
19 Bates 0461976 through -1979. This is a continuation  
20 of a chain, an email chain, we looked at earlier  
21 today.

22 (Witness reviewing document.)

23 A. Okay.

24 Q. Earlier we spoke about the email at the  
25 bottom of page 2, where Monica indicates in an email

1 To [REDACTED] [sic] that it's, quote, It's clear  
2 we are going to have is to invest our near-term  
3 energy into attracting speculators.

4 And then Patrick asks you to follow up on  
5 that?

6 A. It's not clear. It looks like this -- just  
7 the email here, 10:54, this may have been to me.  
8 It's not clear, because you get Patrick and then  
9 Patrick again. And there's no response from me.

10 Where he's like, Your response is all over  
11 the place, I'm like, Which one?

12 Q. Is he referring to what's in Exhibit MV 18?  
13 Do you still have that in front of you?

14 A. I don't know. Maybe.

15 Q. MV 18 has a -- an email from you, at 8:47.  
16 And then there's a response in Exhibit MV 19, at  
17 11:59.

18 MR. HORTON: Sorry, is there a question?

19 Q. Yeah. The question was, did Patrick make a  
20 request, in connection with the email from Monica  
21 below, about attracting speculators?

22 A. Sorry, just trying to figure this out. So  
23 he sends this email at 10:54 p.m. I'm guessing  
24 that's Pacific.

25 Q. Did Patrick work out of California?



1 A. Yeah.


2 Q. He did?

3 A. Yeah.

4 Or was this was my time because this was to  
5 me? This would have been, I think, my time.

6 I think that maybe that makes sense. So  
7 10:54 is late, my time.

8 That's 8:00 -- yeah, so -- so, yeah, I  
9 think we -- if we make this my time, the MV 19, and  
10 then we make MV 18 California time, I think things  
11 line up, right. So 10:54 his time -- is my time,  
12 7:54 his time.

13 And then I respond, maybe about an hour  
14 later, at 8:47 p.m., my time, California. And then  
15 this seems to be an internal thread between   
16 and Monica, without Patrick on it.

17 Q. So was Patrick disappointed in your  
18 response?

19 MR. HORTON: Objection to form.

20 A. I think he uses the verbiage, Your response  
21 is all over place. And he just completely ignored my  
22 email.

23 Q. So he wasn't happy?

24 MR. HORTON: Objection to form.

25 A. I don't know. There's an exclamation point

1 at the end of that. Maybe he was thrilled.

2 Q. Was Patrick difficult to get along with, as  
3 a boss?

4 A. No, I wouldn't saw he was difficult.

5 Q. Did he agree on your strategy with respect  
6 to XRP?

7 MR. HORTON: Objection to form.

8 A. You know, I don't -- I don't know that we  
9 ever had a conversation as to where he fully agreed,  
10 but he never got in the way of anything I was trying  
11 to do.

12 Q. Did he agree that Ripple's prior efforts  
13 with respect to XRP had not been as successful?

14 MR. HORTON: Objection to form.

15 A. I don't know.

16 Q. At the very top of the page, you write,  
17 I've been actively following market sentiment around  
18 XRP for months now. And there are some clear trends.

19 First, where did you look for -- look  
20 for -- to find market sentiment for XRP?

21 A. I don't remember.

22 Q. Did you consider this part of your job?

23 A. I mean, yeah. I think so, yes.

24 Q. Why did you consider it part of your job to  
25 understand market sentiment?

1 MS. COWAN: Objection.

2 A. I don't know. Just felt like something I  
3 should do.

4 Q. Ripple was trying to attract more investors  
5 for XRP at the time. Correct?

6 MR. HORTON: Objection to form.

7 A. I wouldn't say that, no.

8 Q. What would you say?

9 A. In March of 2017? I can't speak for  
10 Ripple. I was trying to figure out how are we going  
11 to build a liquid market around XRP to put a product  
12 on top of it. This was actually right around the  
13 time frame we first drew up xRapid on the whiteboard.

14 Q. On the whiteboard. When you say "on the  
15 whiteboard," you mean you first had the idea of --  
16 Ripple first had the idea of xRapid?

17 A. No, no, no. So, remember, I mentioned  
18 that -- I think I mentioned this today, that there  
19 was kind of an intent to build similar functionality,  
20 with respect to what xRapid does but using the  
21 protocol. I don't know if I mentioned that today.

22 But some of the efforts, previous to me  
23 joining, and some of the -- some of the efforts  
24 around trying to build liquidity on the protocol,  
25 revolved around the similar use case, on cross-border

1 payments, but using the protocol instead of  
2 off-ledger changes. So -- so the protocol has -- has  
3 decentralized exchanges on it.

4 So, initially, I think the idea was they  
5 would use that infrastructure to facilitate the  
6 transferring of the -- of the cash or the value,  
7 whatever. That just wasn't working.

8 So, yeah, I think in March of '17, the --  
9 the focus here was -- and in that -- when that  
10 whiteboard session was, Okay, can we do what we were  
11 trying to do off ledger on ledger?

12 I think there was some discussions around  
13 not using IOP. Remember, there were some thread  
14 inside of the company as to we had to use IOP, for  
15 some reason. I didn't know the way IOP worked. I  
16 still don't know the way IOP works. But it certainly  
17 wasn't necessary for xRapid.

18 Q. You said there was a -- I think you may  
19 have misspoke.

20 Was there a discussion -- was there a  
21 discussion of -- doing what you did, on ledger off  
22 ledger?

23 A. Could you be a little bit more specific,  
24 Daphna? I'm sorry.

25 Q. You said, Okay, can we do what we are to do

1 off ledger on ledger. I think you --

2 A. The other way around.

3 Q. Right.

4 A. Yeah.

5 Q. So you meant was, can we do what we were

6 doing on ledger --

7 A. Trying to do.

8 Q. -- off ledger?

9 A. Sorry, I apologize. Yes.

10 Q. Just wanted to clarify.

11 A. No, I know it's confusing.

12 Q. Why wasn't it what Ripple was doing working

13 on ledger?

14 MR. HORTON: Objection to form.

15 A. I don't know for certain. My opinion at

16 the time, and it's why we ended up going the path

17 that we -- that we did, was that there -- we were

18 fighting the rest of crypto.

19 So if you think of the crypto markets, all

20 of the activity around crypto trading is happening on

21 exchanges, mostly. Even -- in 2017, you start to

22 have some over-the-counter trading, but still the

23 vast majority of it is happening on exchanges.

24 So just -- it just felt really challenging

25 to tell folks, Okay, hey, well, you're trading on